

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

#### JOINT APPROP SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION

**Call to Order:** By **CHAIRMAN LILA TAYLOR**, on January 6, 1999 at  
8:00 A.M., in Room 402 Capitol.

#### ROLL CALL

**Members Present:**

Rep. Lila Taylor, Chairman (R)  
Sen. Mike Taylor, Vice Chairman (R)  
Sen. Eve Franklin (D)  
Sen. Ken Mesaros (R)  
Rep. Ray Peck (D)  
Rep. Joe Quilici (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Lynn Daily, Committee Secretary  
Jim Turner, Legislative Fiscal Division

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

**Committee Business Summary:**

Also present at the meeting were Linda Vaughey, Dulcy Hubbert,  
Jim Scheier, Steve Brown, Jim Scheier, Mary Beth Linder, Amy  
Sassano, and Pat Chenovick.

**{Tape : 1; Side : A; Approx. Time Counter : 0 - 60.2}**

Linda Vaughey is here about supplemental extraordinary legal fees  
when budget was established. She also brought with her Dulcy  
Hubbert, Jim Scheier, and Steve Brown to add information.

**EXHIBIT(jgh03a01), EXHIBIT(jgh03a02)**

**Questions from Committee Members and Responses:**

**REP. JOE QUILICI** asked about the legal fees for the right to life  
which are for \$31,000. **Jim Shire** with the Attorney Generals

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Office states that there is a scheduling conference set for the end of January that is anticipated to last 6 days to decide this.

**REP. PECK** asked about the specific legislation being challenged in the Right to Life. **Jim Shire** states that I-118 placed limits on the amount of contributions made to candidates. It is being challenged.

**REP. QUILICI** asked why the supplemental request that is \$41,919.18 less than expected. **Steve Brown, A Private Attorney Representing the Commissioner of Political Practices** said that there were four complaints filed against I-122 with the Commissioner of Political Practices

1. Allegation by Montanans for Clean Water against Montanans for Common Sense Water Laws.
  - a. Montanans for Clean Water didn't accurately report contributions.
  - b. Montanans for Common Sense Water Laws filed a complaint against Montanans for Clean Water that they did not properly report contributions of political advertising. They also claimed that they failed to report expenditures made for The Public Education for Water Quality Project.

The Commissioner filed district court actions in both those matters.

**SEN. MESAROS** asked which lawsuits are currently active. **Linda Vaughey** stated that the two active lawsuits are the Right to Life and the Chamber of Commerce. The Chamber of Commerce legal costs are being picked up Attorney General's Office.

**CHAIRMAN TAYLOR** asks if these will be the only costs for the Right to Life case. **Linda Vaughey** states that it is very difficult to determine exact costs.

**REP. QUILICI** wants to know if the money will be reverted back if it is not all used. **Linda Vaughey** says that it is for legal expenses only and will revert to general fund.

**Pat Chenovick**, has two supplemental requests. The first is related to the judges retirement fund. HB 170 that was passed last session changed the method of the percentage of the salary that was put into the retirement fund from 32.8% to 21.1%. Requesting the difference. The second supplemental request is for the State Special Revenue Funds. Two percent of the seven percent that is conned on license plates goes to this fund.

There is a gray area in the statute that doesn't give the authority to spend funds for grants back to counties.

**EXHIBIT (jgh03a05)**

**Questions From Committee Members and Responses:**

**SEN. FRANKLIN** requests a graphic or written material before acting.

**REP. PECK** asks why the judges retirement fund keeps coming up. **Pat Chenovick** states that they are always running about \$3 Million short. The fees collected in the district court are not enough.

**REP. PECK** asks about the qualifications for retirement and what percentage of their salary do they receive. **Pat Chenovick** tells him that is 62 years old with ten years of service and that they receive 1/5 for every year of service.

**EXHIBIT (jgh03a03)**

**Jim Turner** explains HB 576. There are two types of proprietary funds; Internal Service Funds which charges other agencies and Enterprise funds which charge these outside of the state government. Before HB 576 it would appear that for \$100 of costs there was \$200 being spent.

HB 576 put three controls into effect:

1. Legislative approval of rates
2. Agencies can't raise rates during Biennium
3. Commensurate with costs
  - allows costs to be lowered

There are also two other external controls:

1. Competition
2. Feds keep a close watch on rates that are charged

Kinds of rates that are going to be seen:

1. Amounts Allocated
2. Per Unit Charge
3. Working Capital Rates

**Questions From Committee Members and Responses:**

**REP. QUILICI** asks what happens when agencies inflate costs between each other. **Jim Turner** states that there is nothing that can be done until the next session.

**Mary Beth Linder** states they work on a number of accounts that are spread out over years. They also may have been given something called a capital contribution.

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**{Tape : 1; Side : B; Approx. Time Counter : 0 - 10.1}**

**Jim Turner** says that the budget book gives a history of revenues and expenses.

1. Covering Expenses
2. Fund-Balance
3. Appropriate Types of rates

Enterprise profits get transferred to general fund. If they continue to lose money they will need a loan. **EXHIBIT(jgh03a04)**

**Angela Fultz, Chief Deputy** makes a comment that some Enterprise funds will be voted on by the people because of CI 75.

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**ADJOURNMENT**

Adjournment: 9:25 A.M.

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REP. LILA TAYLOR, Chairman

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LYNN DAILY, Secretary

LT/LD

**EXHIBIT** (jgh03aad)